VZCZCXRO7191 PP RUEHFK DE RUEHKO #3057 1560256 ZNR UUUUU ZZH P 050256Z JUN 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 2808 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/COMUSJAPAN YOKOTA AB JA PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 6553 RUEHOK/AMCONSUL OSAKA KOBE 9783 RUEHBJ/AMEMBASSY BEIJING 2621 RUEHMO/AMEMBASSY MOSCOW 1073 RUEHUL/AMEMBASSY SEOUL 8795 RUCNDT/USMISSION USUN NEW YORK 0586 RHEHAAA/NSC WASHDC

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STATE FOR I/RF, PA/PR/FPC/W, IIP/G/EA, EAP/PD, R/MR, EAP/J, EAP/P, PM; USTR FOR PUBLIC AFFAIRS OFFICE; TREASURY FOR OASIA/IMI; SECDEF FOR OASD/PA; CP BUTLER OKINAWA FOR AREA FIELD OFFICE; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR

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TAGS: OIIP KMDR KPAO JA

SUBJECT: MEDIA REACTION IRAN'S NUCLEAR ISSUE - TOKYO

LEAD STORIES: Most Monday morning papers front-paged speculation that investment fund mogul Yoshiaki Murakami and some executives at his firm would be arrested as early as today on charges of insider trading.

- 11. "Don't Miss Historic Opportunity" The liberal Asahi wrote (6/5): "There are signs of progress on the deadlocked Iranian nuclear issue. This is because Iranian President Ahmadinejad has showed his readiness to consider a comprehensive proposal from the five permanent members of the UN Security Council (UNSC) plus Germany. The hard-line Iranian president has to this point turned a deaf ear to calls from the international community for Tehran to suspend uranium enrichment. He has, though, altered his stance of immediate rejection and said that he would thoroughly review the proposal and take his time in making a final decision. This is the result of the US expressing its intent to take part in the nuclear talks with Iran launched by Britain, France, and Germany.... Since the 1979 Islamic revolution and seizure of the US embassy, the US has refused to talk with Iran, regarding it as a state sponsor of terrorism. This change of approach and the willingness to sit at the table with Tehran represent a historic policy shift for the US.
- ¶2. "It is imperative that national leaders engage in dialogue to prevent Iran from coming into the possession of nuclear weapons. We welcome the fact that the Bush administration has launched a policy heavy on diplomacy. Secretary of State Rice indicated that the US decision

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was a realistic choice to try to reach a solution to the nuclear dispute, not a policy shift aimed at resuming diplomatic ties with Iran in the future. It is believed

that the change in US policy is due to the growing influence of Secretary Rice and other USG officials who attach greater importance to international cooperation, as opposed to the 'neocons' like Vice President Cheney, who favor a unilateral approach.... The realization of dialogue between Washington and Tehran would have a favorable impact on the situation in the Middle East.... Improvement of US-Iran relations would also improve the security situation in Iraq.... Iran should seize this opportunity and make a first step toward a settlement of the nuclear issue through talks with the US and European nations."

SCHIEFFER